

CERTIFIED MAIL RETURN RECEIPT REQUESTED

MAY 17 2010

Sam Lieberman Nevada State Democratic Party 1210 S. Valley View Road, Suite 114 Las Vegas, NV 89102

RE: MUR 6213

Decidedly Unhappy Mainstream Patriots
Rejecting Evil-mongering Incompetent
Democrats Political Action Committee
(DUMPREID PAC) and Charles Muth, in
his official capacity as treasurer

nis official

Dear Mr. Lieberman:

This is in reference to the complaint you filed with the Federal Election Commission on September 8, 2009, concerning DUMPREID PAC ("the Committee"). After considering the circumstances of this matter, the Commission determined to dismiss this matter and closed the file on April 27, 2010. At the same time, the Commission cautioned the Committee to take steps to ensure that its conduct is in compliance with the Act and the Commission's Regulations, by amending its Form 1 to remove the parenthetical "(DUMPREID PAC)" from its official name, and by including the Committee's full name in the "paid for by" section of its website disclaimer and in any future public communications. The Factual and Legal Analysis explaining the Commission's decision is enclosed.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003).

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Thomasenia P. Duncan General Counsel

Sun I. Lebeaux BY: Susan L. Lebeaux

Assistant General Counsel

Enclosure

Factual and Legal Analysis

l	FEDERAL ELECTION COMMISSION
2	FACTUAL AND LEGAL ANALYSIS
3 4 5 6 7 8 9	RESPONDENT: Decidedly Unhappy Mainstream Patriots Rejecting Evil-mongering Incompetent Democrats Political Action Committee (DUMPREID PAC) and Charles Muth, in his official capacity as treasurer Interport Center of the Particle of the Patriots Muth, in his official capacity as treasurer
10	I. <u>INTRODUCTION</u>
11	This matter was generated by a complaint filed with the Federal Election Commission
12	("Commission") by Sam Lieberman, Chairman of the Nevada State Democratic Party. See
13	2 U.S.C. § 437g(a)(1). For the reasons set forth below, the Commission has decided to exercise
14	its prosecutorial discretion and dismiss the complaint in MUR 6213, and close the file.
15	II. <u>FACTUAL SUMMARY</u>
16	The Decidedly Unhappy Mainstream Patriots Rejecting Evil-mongering Incompetent
17	Democrats Political Action Committee (DUMPREID PAC) and Charles Muth, in his official
18	capacity as treasurer (the "Committee"), was formed "to defeat Sen. Reid in the 2010 election,"
19	according to an August 4, 2009, press release on its website. The Committee filed a Form 1 on
20	August 17, 2009, stating it was an unauthorized committee, and an amended Form 1 on August
21	27, 2009, reflecting a change in the Committee's address to a post office box. Both state the
22	Committee's name as "Dump Reid Political Action Committee." On September 19, 2009, eight
23	days after the complaint was filed, the Committee filed a second amended Form 1 stating the
24	Committee's name to be "Decidedly Unhappy Mainstream Patriots Rejecting Evil-mongering
25	Incompetent Democrats Political Action Committee (DUMPREID PAC)."
26	The complaint attaches a mailer, which appears to be a two-page public communication

that expressly advocates against Senator Reid's re-election and solicits contributions, and

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maintains two websites, and asserts that the Committee sent it out. Based on the original and 1 first amended Form 1s, the complaint alleges that the Committee's official name includes 2 3 Senator Reid's name in violation of 2 U.S.C. § 432(e)(4). The complaint further alleges that the 4 Committee violated the disclaimer requirements at 2 U.S.C. § 441d and 11 C.F.R. § 110.11, by failing to include the appropriate disclaimers in a printed box on a public communication in the 5 form of a mailer that expressly advocates against Senator Reid's re-election and solicits 6 contributions, using "PAC" instead of spelling out "Political Action Committee," and failing to 7 include in disclaimers on both the mailer and the Committee's website the Committee's Internet 8 or street address and telephone number and a "not authorized by any candidate or candidate's 9 10 committee" statement. The complaint attaches a copy of the mailer that it alleges violated the 11 disclaimer requirements. The response states that the most recent Form I was filed to "clarify" the Committee's 12 "full and proper name," asserts that DUMPREID "is an acronym or abbreviation" and maintains 13 that DUMPREID PAC is a Committee project, and as such, is allowed to use Senator Reid's 14 name. The response further states that the Committee's original and first amended Form 1s were 15 accepted by the Commission "without notification . . . that the [Committee's] name was 16 somehow contrary to Commission regulations." Response at 1, 4-5. 17 With respect to the mailer, the response further asserts that "[t]he PAC's printed mailings 18 and website conform to federal law and Commission regulations with respect to required 19 disclaimers" and "the only mailing the PAC has ever distributed contains the required 20 21 disclaimers." Response at 2. The response maintains the complaint references a draft and not 22 the final version, and attaches the mailer that the Committee actually distributed. The response points out that the version of the mailer attached to the complaint contains a "Getty Images" 23

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watermark, demonstrating its draft status. The copy of the mailer that the Committee asserts was 1 actually distributed contains a disclaimer in a printed box which includes the name of the 2 Committee as it was then on file with the Commission (Dump Reid Political Action Committee), 3 its website address and a "not authorized by any candidate or candidate's committee" statement. 4 The response acknowledges that its website's initial disclaimer was inadequate because 5 from August 4 until September 11, 2009, it lacked the "not authorized by any candidate or 6 7 candidate's committee" statement and Committee's address, but requests dismissal of the complaint for this "technical violation." Response at 3-4, 6. According to the response, the 8 second website mentioned in the complaint, www.dumpharry.com, is not owned, operated or 9 funded by the Committee, but is operated as an independent entity by Muth, the Committee's 10 treasurer. Response at 2, 4. There is no evidence to the contrary and it appears to have been shut 11 down, as we were unable to find it on the Internet. The Committee's current website disclaimer 12 appears as follows: 13 PAID FOR BY DUMP REID PAC 14 15 AND NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE A SPECIAL PROJECT OF THE DECIDEDLY UNHAPPY MAINSTREAM PATRIOTS 16 17 REJECTING EVIL-MONGERING INCOMPETENT DEMOCRATS PAC WWW.DUMPREID.COM 18 19 20 III. LEGAL ANALYSIS A. The Committee's Name 21 A political committee's Form 1 must include its full name, and an unauthorized political 22 committee "shall not include the name of any candidate in its name." 2 U.S.C. §§ 432(e)(4), 23 433(b)(1); see 11 C.F.R. §§ 102.2(a)(1)(i), 102.14(a). Although the Committee may not use 24 Senator Reid's name as part of its official name as reported on Form 1, it may use it as part of a

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special project name because the DUMP REID title clearly and unambiguously shows opposition to Senator Reid. See 11 C.F.R § 102.14(b)(3).

The Committee's assertion that "Dump Reid" is an "acronym or abbreviation" and "Dump Reid PAC" is an "ongoing fundraising project" do not change the fact that Scnator Reid's name is listed as part of the official name of the Committee. 2 U.S.C. § 432(e)(4)

B. Disclaimers

An unauthorized committee's public communications, including mass mailings, and Internet websites available to the general public must contain a disclaimer including, *inter alia*, the full name of the sponsoring committee, its Internet address or street address and telephone number, and a statement that it was not authorized by any candidate or candidate's committee. 2 U.S.C. §§ 431(22), 441d; 11 C.F.R. §§ 100.26, 110.11(a)(1). The disclaimer must also clearly identify who paid for the communication or website. *See* 2 U.S.C. § 441d(a)(1).

The disclaimers for the mailer and the website each read "Paid for and authorized by DUMP REID PAC." See 2 U.S.C. § 441d(a)(3); 11 C.F.R. § 110.11(b)(3). As written, these disclaimers indicate that the mailer and website are directly paid for by the "ongoing fundraising project" DUMPREID PAC, not the Committee itself. See Common Cause, 842 F.2d at 440, 443 (stating that permitting the use of a special project name in a disclaimer instead of the committee's official name would "shatter[]" the regulatory structure because readers and potential contributors would have no coherent means to discover the identity and status of those soliciting them); Special Fundraising Projects, 59 Fed. Reg. at 17267 (disclaimers must clearly identify who paid for the communication). It appears that the final version of the mailer, attached to the response, is otherwise in accordance with the disclaimer requirements. The response acknowledges that the website initially lacked the "not authorized by any candidate or

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- candidate's committee' statement and the Committee's address, although that has now been
- 2 corrected. Response at 3.
- The Committee may have violated 2 U.S.C. § 432(e)(4) and 11 C.F.R. § 102.14(a) by
- 4 including Senator Reid's last name as part of its official name in its Form 1, and 2 U.S.C. §
- 5 441d(a)(3) and 11 C.F.R. § 110.11(b)(3) by using deficient disclaimers on its website and mailer
- that fail to use the Committee's full name in the "paid for by" section. However, in light of the
- 7 fact that the current Form 1 and the website disclaimer include the Committee's full name in the
- 8 text and the mailer used the "DUMPREID" name, therefore providing partial identification, the
- 9 Commission has decided to exercise its prosecutorial discretion and dismiss the complaint in
- 10 MUR 6213, and close the file. See Heckler v. Chaney, 470 U.S. 821 (1985).